Allied powers (1919-) REPARATION COMMISSION.

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STATEMENT OF GERMANY'S OBLIGATIONS

Under the heading of Reparations, etc., at April 30th, 1922.

Extracts from the Accounting Records of the Reparation Commission.

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INTRODUCTION.

The tables contained in this volume are issued with a view to giving to the public, and more particularly to the economic public, information as to Germany's payments under Part VIII of the Treaty of Versailles and the distribution of such payments between the Allied Powers.

It is desired to lay great emphasis on the fact that many of the figures contained in the tables are still, for one reason or another, entirely provisional; such provisional figures, the most important of which are herein distinguished by italics, are merely estimates and have no greater authority from the Reparation Commission behind them than that of a simple approximation. The margin of error varies considerably in different cases. It is not improbable, however, that the main conclusions which can be drawn from the accounts as now presented will not be substantially affected when the various amounts in question have been definitely determined. Some effort is made to indicate, in the notes which accompany the separate statements, the extent to which important figures are provisional, and it is intended to publish further statements at half-yearly intervals which should successively supersede preceding statements and narrow the range of what is provisional.

With a view to a proper understanding of the accounts, which are presented in as clear a form as their inherent complication allows, the following general explanation may usefully be offered to those who study them.

In the first place the Reparation Commission has two main series of accounts to keep, the first being the accounts of the Reparation Commission with Germany, and the second the Reparation Commission's accounts with the various powers who participate in German receipts. It might have been expected that the two series would be little more than different arrangements of the same figures, but two facts destroy a close correspondence between them.

Firstly, in at least one case of importance, namely, the delivery of merchant shipping under Annex III to the Reparation chapter of the Treaty of Versailles, the value credited to Germany does not correspond with the value debited to the receiving Powers. The difference is due to a provision of the Inter-Allied Financial Agreement signed at Spa on the 16th July, 1920, whereby, for the purpose of distribution between the Allies (a question which, under Article 237 of the Treaty) is solely within the competence of the Allied Governments, a method of valuing the ships was chosen

which was not accepted at a later date by the Commission as a basis of valuation for the purpose of determining Germany's credit

Germany's credit was based on the best estimate which the Commission could frame of the value of the ships at the time of delivery; the basis of the Inter-Allied debits is shown in the extract from the Spa Agreement printed in the Appendix.

The accounting discrepancy thus arising is reconciled by a provision, to which more detailed reference need not here be made, in a subsequent Inter-Allied Agreement signed at Paris on the 11th March, 1922.

The second factor which destroys correspondence between the two series of accounts is that under Inter-Allied Agreements, the distribution of receipts and their attribution to the different categories of charge imposed upon Germany has not in all respects strictly followed the Treaty scheme. It will be understood that the deviations in no way affect Germany's obligations, but only the distribution of receipts between the Powers.

The force of this remark will be elucidated by a consideration of the explanation which follows as to the nature of Germany's obligations in the period under review. This period may be divided into three lesser periods. The first begins with the coming into force of the Treaty on the 10th January, 1920, and ends on the 30th April, 1921.* During this period, the obligation of Germany was defined by Article 235 of the Treaty(†).

It will be observed that the first charge on Germany's payment was the cost of occupation as from the Armistice, only the balance being available for reparation (if one may disregard for the present purpose the payment considered necessary by the Allied and Associated Powers for Germany's food and raw materials, which merely involves an identical item on both sides of the account). These costs amounted to 2,131,904,000 gold marks (exclusive of the costs of the American Army, which amounted to 1,010,614,000 gold marks) and in the event the sums actually received from Germany and attributable to the costs of occupation were barely sufficient to meet this first charge.

It should here be explained that not all the credits passed in Germany's favour during this period were available for meeting the cost of occupation. As interpreted by the Reparation Commission, Article 235 contemplates only receipts of a liquid character applicable " to the restoration of the industrial and economic life " of the Allied and Associated Powers and not such capital payments as were involved, for instance, by the transfer of state property to

---

* The period actually begins somewhat sooner, since the German Government made certain deliveries in anticipation before the coming into force of the Treaty.

† *See* page 29.

Poland. It follows, therefore, that the actual payments made by Germany during this period are not identical with the sums applied under Article 235 to the payment of the costs of occupation.

The second period begins on the 1st May, 1921, and covers substantially the remainder of that calendar year. There is a clear difference between reparation payments and the reimbursements of the costs of occupation, and it is only in virtue of a special mandate conferred by the interested powers that the Commission is in any way responsible for the latter.

On the 28th April, 1921, the Commission notified the German Government of its finding that the total damage for which Germany was responsible amounted to 132 milliard gold marks; on the 5th May, 1921, the Commission notified the Schedule of Payments prescribing the time and manner for securing and discharging the entire obligation of Germany for reparation under Articles 231, 232 and 233 of the Treaty, the total obligation of Germany at this date being 132 milliard of gold marks, less " (*a*) The amount already paid on account of Reparation, (*b*) sums which may from time to time be credited to Germany in respect of State properties in ceded territory, etc., and (*c*) any sums received from other enemy or ex-enemy Powers in respect of which the Commission may decide that credit should be given to Germany, plus the amount of the Belgian debt to the Allies, the amounts of these deductions and addition to be determined later by the Commission."

The Schedule prescribed the payment of a fixed annuity of two milliard gold marks and a variable annuity equivalent to 26 per cent. of the value of German exports. Further, the Schedule specifically provided for the payment within 25 days of one milliard gold marks to represent the two first quarterly instalments of the fixed annuity.

The third period opens with the request dated 14th December, 1921, from the German Government for a partial postponement of the payments prescribed by the Schedule. While considering this request, the Commission—by a decision taken on the 13th January, 1922, at Cannes, and mentioned in these accounts as the " Cannes Decision "—granted a provisional postponement of the Schedule instalments due on the 15th January and 15th February, replacing them by payments every ten days of 31 million gold marks, the first payment falling due on the 18th January. On the 21st March, the Commission granted Germany a partial Moratorium for her Schedule obligations for the year 1922, and decided that she should pay in that year 720 million gold marks in cash and effect deliveries in kind to the value of 1,450 million gold marks, the obligations postponed being carried forward to the years following. This partial moratorium was provisional in the first instance, but subsequently confirmed on 31st May, 1922, a date which falls outside the period covered by the accounts now published.

At the same time a further accounting complication was introduced owing to the decision taken, at the wish of the Allied Governments concerned, as expressed in the Financial Agreement of the 11th March, 1922, that the costs of the Armies of Occupation as from the 1st May, 1921, should be repaid to each of the creditor Powers, in so far as not already covered by the requisition of paper marks by the armies, out of the deliveries in kind actually received by them under the Schedule of Payments from 1st May to the 31st December, 1921, and out of the deliveries for 1922 as arranged for that year by the moratorium of 21st March, 1922. The effect is to produce retroactively a deficit in German reparation payments even before the period for which a partial moratorium was demanded.

In an Appendix following the tables will be found extracts from the Treaty of Versailles, and from the Financial Agreements of Spa and Paris, which will serve further to elucidate the Commission's accounting transactions.

ANDREW MCFADYEAN,

General Secretary.

I.

STATEMENT OF DELIVERIES AND PAYMENTS ON ACCOUNT PRIOR TO 1st MAY, 1921.

In this table it is to be noted that the following important items are provisional: value of ships, of livestock, of coal and lignite, of Armistice Deliveries, of abandoned war material, of the Saar Basin and of the property acquired by Cessionary States, other than that for which cash has been received.

In the case of the Armistice Deliveries, the final figure may differ materially from the figure provisionally adopted. The estimate for the Saar Basin is based on the preliminary valuations submitted by the French and German Governments and the estimates for State properties in ceded territories under heading "E" on similar valuations by the interested parties.

It will be observed that the table, while relating to Germany's obligations up to the 30th April, 1921, purports to give receipts on account of those obligations up to the 30th April, 1922. The explanation is that certain receipts, such as the proceeds of the liquidation of war material, while applied by the Commission to the extinction of Germany's obligations before 1st May, 1921, that is primarily to the reimbursement of occupation costs incurred before that date, did not actually come into the hands of the Commission until after the latter date.

A word of explanation should here be given as to an item frequently recurring in these tables, Coal Supplied to Luxemburg. Under Annex V to the Reparation Chapter of the Treaty, Germany undertakes, on the direction of the Commission, to effect this delivery. From one point of view the coal is, of course, a delivery in kind. On the other hand, it is not a delivery to a Power participating in reparation; it is paid for in cash by Luxemburg and such receipts are, in 1922, credited towards satisfaction of the cash portion of Germany's obligation for the year. In these tables, therefore, the item sometimes appears as a delivery in kind, and sometimes as a cash receipt, in accordance with the main purpose of the individual tables.

STATEMENT OF GERMANY'S DELIVERIES AND PAYMENTS UPON PRE-1ST MAY, 1921, ACCOUNT Between 11th November, 1918, and 30th April, 1922.

(Expressed in Thousands of Gold Marks.)

No.	Articles or Treaty Annexes.	Nature of Deliveries or Payments.	Quantity.	Value in G. M.
A.		A. RECEIPTS IN CASH ON GERMAN ACCOUNT.		
1		*Payment by French Government for :*		
2	Art. 145.	(*a*) Germany's proportion of the capital of State Bank of Morocco.	Shares 2,200	643
	Art. 248.	(*b*) Telephone account prior August, 1914	—	10
3		*Payment by Denmark for :*		
	Art. 256.	(*a*) Property acquired in Schleswig	—	63,000
	Art. 109–114–254.	(*b*) Proportion of German Imperial and State Debts assumed.	—	2,000
4	Art. 248.	*Money retrieved from Ships sunk at Scapa Flow*	—	4
5	Art. 169.	*Receipts from Remitted Sales of Converted War Material :*		
		(*a*) Up to 30th April, 1921	—	17,595
		(*b*) Since 1st May, 1921	—	25,545
6	Art. 248.	*Proceeds of Collections in Rhine Customs Zone*	—	3,324
		Total Receipts in Cash		112,121 (000)
B.		B. DELIVERIES IN KIND.		
1	Annex III.	*Ships*	—	*659,867*
2	Art. 357.	*Rotterdam Docks*	—	325
3	Annex IV.	*Livestock* (Annex IV, Para. 2*a*)	Head (other than poultry) 12,165	7,535
	Idem.	„ (Annex IV, Para 6)	Head (other than poultry) 328,512	83,364
4	*Idem.*	*Miscellaneous Deliveries* (Annex IV, Para. 2*a*)	—	8,430
5	*Idem.*	*Reconstruction Material* (Annex IV, Para. 2*b*)	—	1,068
6	Annex V.	*Coal, Coke and Lignite :*		
		(*a*) Taken in charge by Allies at Posts of Control ...	M.T. 21,287,709	*423,360*
		(*b*) Delivered to Luxemburg	M.T. 1,037,142	17,525
7	*Idem.*	*By-Products of Coal :*		
	Idem.	Benzol	Tons 7,511	*2,606*
	Idem.	Sulphate of Ammonia	Tons 29,846	*5,408*
8	Annex VI.	*Dyestuffs*...	Kgs. 14,887,146	38,001
9	*Idem.*	*Pharmaceutical Products*	Kgs. 267,934	3,053
10	Art. 247.	*Louvain Library*	—	522
		Total Deliveries in Kind ...		1,251,064 (000)

C. 1	Art. 250., Armistice Convention, Art. III. and VIII., and Armistice Convention, 16/1/19.	C. Armistice Deliveries.		
		Total Armistice Deliveries ...		*1,183,226* (000)
D. 1	Part VIII. Art. 244. Annex VII.	D. Other Liquid Assets. *Submarine Cables ... ...*	—	*49,000*
		Total Other Liquid Assets ...	—	*49,000* (000)
E.		E. State Property in Ceded Territories (and other Capital Items).*		
1	Art. 45–50.	*Coal Mines situated in Saar Basin ... ...*	—	*400,000*
2	Art. 134.	*German School in French Concession at Shanghai ... ...*	—	*2,042*
3	*Idem.*	*Property in British Concession at Shameen ... ...*	—	*538*
4	Art. 156.	*Property in Kiau-Chow ... ...*	—	59,000
5	Art. 256.	*Property acquired by Cessionary States :*		
	Art. 256.	(*a*) Czecho-Slovakia	—	*5,640*
	Idem.	(*b*) Memel	—	—
	Idem.	(*c*) Free City of Dantzig	—	*300,000*
	Idem.	(*d*) Poland (1) Ceded Area	—	*1,712,025*
		(2) Plebiscite Area	—	—
6	Art. 254.	*Portion of German Imperial State Loans assumed by Cessionary States :*		
	Art. 32–39.	(*a*) Belgium in respect of Moresnet, Eupen and Malmedy	—	*635*
	Art. 86.	(*b*) By Czecho-Slovakia in respect of Silesia	—	*391*
	Art. 99.	(*c*) Memel	—	—
	Art. 108.	(*d*) Free City of Dantzig	—	*5,514*
	Art. 92.	(*e*) Poland in respect of Posen, Eastern Prussia, Allenstein and Upper Silesia :		
		(1) Territory in Ceded Area	—	*18,557*
		(2) Territory in Plebiscite Area	—	—
		Total State Properties ...	—	*2,504,342* (000)
		Grand Total of Parts A, B, C, D and E ...	—	G.M. 5,099,753 (000)

Note.—The deliveries and payments under heads A, B, C and D are employed in meeting the advances on coal and the costs of the Armies of Occupation. The deliveries and payments under head E are employed in balancing the capital debt.

* Other than Schleswig item, accounted for in A above.

II.

DISTRIBUTION OF LIQUID ASSETS RECEIVED BETWEEN 11TH NOVEMBER, 1918, AND 30TH APRIL, 1922.

The following table shows the distribution of liquid assets, that is, of the assets shown under headings "A," "B," "C" and "D" of the preceding table. A distinction is effected between the items under these headings and the items under heading "E," for the reason that the former alone, as explained in the introduction, are available for meeting Army Occupation claims up to the 30th April, 1921.

II.

DISTRIBUTION OF LIQUID ASSETS RECEIVED ON PRE-1ST MAY, 1921, ACCOUNT BETWEEN 11TH NOVEMBER, 1918, AND 30TH APRIL, 1922.

(Expressed in Thousands of Gold Marks.)

No.	Nature of Deliveries or Payments.	Total.	Undistributed.	British Empire.	France.	Italy.	Japan.	Belgium.	Greece.	Poland.	Roumania.	Serb-Croate-Slovene State.	Czecho-Slovakia.
A	A.—CASH AND SECURITIES.												
1	*Payment by French Government for :*												
	(*a*) Germany's proportion of the State Bank of Morocco.	643											
	(*b*) Telephone account prior August, 1914.	10											
2	*Payment by Denmark for :*												
	(*a*) Property acquired in Schleswig ...	63,000											
	(*b*) Proportion of German Imperial and State Debts assumed.	2,000											
3	*Money retrieved from Ships sunk at Sea a Flow.*	4	—	137,599	307	—	—	—	—	—	—	—	—
4	*Receipt from Remitted Sales of Converted War Material.*	43,140											
5	*Receipts on Account of Deliveries in Kind :*												
	(*a*) From Luxemburg for Coal ...	17,520											
	(*b*) From miscellaneous sales of dye-stuffs.	5,525	17	—	—	—	—	—	—	—	—	—	—
6	*Realised Proceeds of Collections in Rhine Customs zone.*	3,324											
7	*Interest earned on Investments*	3,102	—	—	—	—	—	—	—	—	—	—	—
8	*Loss on exchange*	—	345	—	—	—	—	—	—	—	—	—	—
9	Sums advanced from Schedule of Payments Account (Application of Article 8 of Financial Agreement of 11th March, 1922).	640,000	—	500,000	140,000	—	—	—	—	—	—	—	—
	Total Receipts in Cash ...	778,268	362	637,599	140,307	—	—	—	—	—	—	—	—

No.	Nature of Deliveries or Payments.	Total.	Undistributed.	British Empire.	France.	Italy.	Japan.	Belgium.	Greece.	Poland.	Roumania.	Serb-Croate-Slovene State.	Czecho-Slovakia.
B	**B.—Deliveries in Kind Reparation Recovery Act.**												
1	*Ships:*												
	(*a*) Allotted to Powers	*659,867*	—	204,334	51,150	2,036	6,200	—	5,318	—	128	—	—
	(*b*) Difference between Germany's credit and Powers' debits.	—	*390,701*	—	—	—	—	—	—	—	—	—	—
2	*Rotterdam Docks*	325	—	—	325	—	—	—	—	—	—	—	—
3	Livestock (Annex IV., para. 2*a*)	7,535	—	—	4,568	772	—	2,195	—	—	—	—	—
	„ (Annex IV., para. 6)	83,364	—	—	53,045	—	—	30,319	—	—	—	—	—
4	*Miscellaneous* (Annex IV., para. 2*a*) ...	8,430	—	—	3,097	8	—	5,325	—	—	—	—	—
5	*Reconstruction Material* (Annex IV., para. 2*b*).	1,068	—	—	641	18	—	409	—	—	—	—	—
6	*Coal, Coke and Lignite:*												
	(*a*) Taken in charge by Allies at Posts of Control.	*423,360*	—	—	324,979	54,589	—	43,792	—	—	—	—	—
	(*b*) Supplied to Luxemburg	5	5	—	—	—	—	—	—	—	—	—	—
7	*By-Products of Coal:*												
	Benzol	*2,606*	—	—	2,606	—	—	—	—	—	—	—	—
	Sulphate of Ammonia	*5,408*	—	—	5,408	—	—	—	—	—	—	—	—
8	*Dyestuffs*	32,476	—	8,499	9,251	9,124	2,630	2,949	—	—	—	23	—
9	*Pharmaceutical Products*	3,053	—	—	193	2,125	135	541	—	—	—	59	—
10	*Louvain Library*	522	—	—	—	—	—	522	—	—	—	—	—
	Total Deliveries in Kind	1,228,019	390,706	212,833	455,263	68,672	8,965	86,052	5,318	—	128	82	—
C	**C.—Armistice Deliveries.**												
	Total Armistice Deliveries ...	*1,183,226*	59,491	84,413	527,433	15,306	—	470,622	—	14,705	4,408	—	6,848
D	**D.—Other Liquid Assets.**												
	Submarine Cables	*49,000*	*49,000*	—	—	—	—	—	—	—	—	—	—
	Total Other Liquid Assets ...	*49,000*	*49,000*	—	—	—	—	—	—	—	—	—	—
	Grand total of Liquid Assets ...	3,238,513	499,559	934,845	1,123,003	83,978	8,965	556,674	5,318	14,705	4,536	82	6,848

DISTRIBUTION OF CESSIONS ON CAPITAL DEBT ACCOUNT.

(Expressed in Thousands of Gold Marks.)

No.	Nature of Deliveries or Payments.	Total.	Undistributed.	British Empire.	France.	Italy.	Japan.	Belgium.	Greece.	Poland.	Roumania.	Serb-Croate-Sloven State.	Czecho-Slovakia
E	E.—STATE PROPERTIES IN CEDED TERRITORIES. (And Other Capital Items.)												
1	*Coal Mines situated in Saar Basin* ...	*400,000*	*100,000* / *300,000**	—	—	—	—	—	—	—	—	—	—
2	*German School in French Concession at Shanghai.*	*2,042*	—	—	*2,042*	—	—	—	—	—	—	—	—
3	*Property in British Concession at Shameen*	538	—	538	—	—	—	—	—	—	—	—	—
4	*Property in Kiau-Chow*	59,000	—	—	—	—	59,000	—	—	—	—	—	—
5	*Property acquired by Cessionary States:*												
	(*a*) *Czecho-Slovakia*	*5,640*	—	—	—	—	—	—	—	—	—	—	*5,640*
	(*b*) Memel	—	—	—	—	—	—	—	—	—	—	—	—
	(*c*) Free City of Dantzig	*300,000*	*300,000*	—	—	—	—	—	—	—	—	—	—
	(*d*) *Poland:*												
	(1) *Ceded Area*	*1,712,025*	—	—	—	—	—	—	—	*1,712,025*	—	—	—
	(2) Plebiscite Area	—	—	—	—	—	—	—	—	—	—	—	—
6	*Portion of German Imperial State Loans assumed by Cessionary States:*												
	(*a*) Belgium in respect of Moresnet, Eupen and Malmedy.	*635*	—	—	—	—	—	*635*	—	—	—	—	—
	(*b*) *By Czecho-Slovakia in respect of Silesia.*	*391*	—	—	—	—	—	—	—	—	—	—	*391*
	(*c*) Memel	—	—	—	—	—	—	—	—	—	—	—	—
	(*d*) Free City of Dantzig	*5,514*	*5,514*	—	—	—	—	—	—	—	—	—	—
	(*e*) Poland in repect of Posen, Eastern Prussia, Allenstein and Upper Silesia:												
	(1) *Territory in Ceded Area* ...	*18,557*	—	—	—	—	—	—	—	*18,557*	—	—	—
	(2) Territory in Plebiscite Area	—	—	—	—	—	—	—	—	—	—	—	—
	Total State Properties (other Capital items).	*2,504,342*	*405,514* / *300,000**	538	*2,042*	—	59,000	*635*	—	*1,730,582*	—	—	*6,031*

* Saar Mines G. M. 300 millions to be debited to France in 1922 as a Delivery in Kind.

III.

POSITION UNDER ARTICLE 235 (G. M. 20 MILLIARDS) AS AT 30TH APRIL, 1921.

(Brought up to 30th April, 1922.)

	G. M.	G. M.
	(In millions).	(In millions.)
A.—ESTIMATED VALUE OF DELIVERIES TO 30TH APRIL, 1921	—	5,100
Deduct :—		
Provisional valuation of State Properties not become liquid at 1st May, 1921	—	2,504
Approximate Total of Available Assets	—	2,596
Add :—		
B.—ADDITIONAL ITEMS RANKING AGAINST ARTICLE 235 :—		
	G. M.	
I. Gold Deliveries and other payments made for Food and Raw Materials (German figure)	*3,834,746,000*	
II. Saar Coal production delivered to order of France Prior to date of actual cession (German figure)	*1,029,000*	Say ... 3,836
III. Currency furnished to Armies of Occupation up to 30th April, 1921		485
IV. Goods and services (including Billeting, Use of Barracks, Roadmaking, etc.) furnished to Armies of Occupation to 30th November, 1920 (German figure)		600
V. Expenses claimed by Germany on account of various Inter-Allied Commissions to 30th November, 1920 (German figure)		40 4,961
C.—AGGREGATE AT 30TH APRIL, 1921 (Expressed in millions of gold marks)		G. M. 7,557 millions.

Note.—The above aggregate is contingent inter alia upon the settlement of the following questions, viz. :—
Section A.—Abandoned Material ; Fixed Railway Material and Rolling Stock ; Prices for Coal and Cattle Deliveries ;
Section B.—Foodstuffs and Raw Materials Account ; Items creditable re Costs of Armies (Billeting, etc.), Allowance for Expenses of Plebiscites and Commissions.

IV.

SUMMARY OF CREDITS TO GERMANY FOR CASH PAYMENTS AND DELIVERIES IN KIND ON ACCOUNT OF SCHEDULE OF PAYMENTS AND ARMY COSTS, 1st MAY, 1921—30th APRIL, 1922.

Nature of Deliveries or Payments.	Quantities.	Value.	Total.
A.—*Cash and Securities:*			
(*a*) Article 5 of Schedule of Payments.	—	1,000,000,000.00	
(*b*) Variable Annuity Instalment of 15th November, 1921.	—	13,014,991.51	
(*c*) Cash Payments, January—April, 1922.	—	300,645,504.59	
Total Cash Payments ...	—		1,313,660,496.10
B.—*Deliveries in Kind:*			
(1) Proceeds of Reparation Recovery Act (Article 248).	—	—	72,263,441.56
(2) Miscellaneous deliveries under Annex II, par. 19	—	—	44,193,285.01
	Tons.		
(3) Ships (Annex III) ...	376,533	—	43,889,767.06
(4) Inland Watercraft—			
(*a*) under Annex III, para. 6.	67,588	1,078,250.00	
	Danube:		
(*b*) under Article 339	5,083	—	
	Elbe:		
	Unknown h.p.	6,408,940.00	
(*c*) under Article 357	377	13,584,635.00	
Total			21,071,825.00
	Head other than poultry.		
(5) Livestock—			
(*a*) under Annex IV, para. 2*a*.	118,123	43,652,593.96	
(*b*) under Annex IV, para. 6.	24,170	7,939,421.82	
Total			51,592,015 78

Nature of Deliveries or Payments.	Quantities.	Value.	Total.
B.—*Deliveries in Kind*—cont.			
(6) Miscellaneous deliveries under Annex IV, para. 2—			
(*a*) reconstruction material under Annex IV, para. 2*b*.	—	7,930,142.14	
(*b*) miscellaneous deliveries under Annex IV, para. 2*a*.	—	13,171,573.70	
Total			21,101,715.84
	Tons.		
(7) Coal, coke and lignite ...	16,050,165	—	275,398,643.36
(8) By-products of coke—			
(*a*) Benzol	28,682	6,657,451.17	
(*b*) Sulphate of Ammonia.	30,183	3,711,363.65	
(*c*) Solvent naphtha ...	4,607	993,458.83	
(*d*) Coal tar and by-products.	3,810	328,180.54	
Total			11,690,454.19
	Kgms.		
(9) Dyestuffs (Annex VI)	3,649,026	—	10,006,781.65
(10) Pharmaceutical products (Annex VI).	392,269	—	8,451,211.88
(11) Louvain Library (Article 247).	—	—	816,276.01
Total Deliveries in Kind under the Treaty.			560,475,417.34
C.—*Armistice Deliveries in Kind*...	—	—	3,678,815.81
GRAND TOTAL			1,877,814,749.25

V.

DISTRIBUTION OF RECEIPTS OTHER THAN ON PRE-1ST MAY, 1921, ACCOUNT. 1ST MAY, 1921-30TH APRIL, 1922.

The total for cash and securities, 1,339,648,000 gold marks, as shown in this Table will be observed to differ from the total receipts shown in Table IV, the explanation being that the items 6 and 7, for the purpose of the account with Germany, are shown as Deliveries in Kind, while items 8 and 9 are in the nature of indirect payments.

The account shows a transfer of 640 million gold marks to the account for Army costs incurred prior to 1st May, 1921, in accordance with the Inter-Allied Arrangement to which reference was made in connection with the preceding Table.

The credit items of 868,000 gold marks in favour of Great Britain and 2,147,000 gold marks in favour of France, represent gains in exchange, to which those powers are entitled, arising out of appreciation in the gold value of sterling and francs paid over by the German Government, the value at date of payment to the Reparation Commission having been guaranteed by those Governments for the period during which they were retained on deposit pending a settlement as to their distribution. The currencies in question have been paid over to Belgium; the gain on exchange will therefore require adjustment in the Inter-Allied accounts.

The debits for deliveries in kind for the period 1st January, 1922, to 30th April, 1922, are shown on a separate line at the bottom of the Table in view of the modification effected in Germany's obligations as from the 1st January last by the grant of a partial postponement of the payments due under the Schedule of Payments. As explained in the introductory note the first charge against these receipts, so far as received by Great Britain, France and Belgium, is the cost of occupation, this cost being shown on Table VI.

Based on Entries brought definitively or provisionally to account.

(Expressed in thousands of Gold Marks.)

No.	Nature of Deliveries of Payments.	Total.	Undistributed.	Transferred to 1st May, 1921. Army Costs A/c.	Debited to Powers on Post-1st May, 1921 A/c.								
					Great Britain	France.	Italy.	Japan.	Belgium.	Greece.	Roumania.	S.H.S. State.	Czecho-Slovakia.
A.	A.—CASH AND SECURITIES.	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)	(000)
1	*From Germany under Article V of Schedule of Payments.*	1,001,614											
	Ten-day payments (a) *under arrangements of the Committee of Guarantees.*	76,037											
2	*Ten-day payments* (b) *under Cannes Decision.*	217,276											
3	*From Germany under Partial Moratorium for* 1922.	18,170											
4	*From Germany under Article* 260 *of the Treaty.*	37	33,016	640,000	Cr. 868	Cr. 2,147	—	—	669,647	—	—	—	—
5	*Transfer from Reserve Fund*	526											
6	*Cash paid by Luxemburg for Coal supplied.*	18,485											
7	*Cash paid by Textile Alliance for Dyestuffs supplied.*	1,469											
8	*Interest earned on Investments*	5,137											
9	*Gain on Exchange*	897											
	Total Cash and Securities ...	1,339,648	33,016	640,000	Cr. 868	Cr. 2,147	—	—	669,647	—	—	—	—
B.	B.—DELIVERIES IN KIND AND REPARATION RECOVERY ACT.												
1	*Proceeds of Reparation Recovery Act* (12th March, 1921, to date).	72,264	—	—	72,264	—	—	—	—	—	—	—	—
2	*Miscellaneous Deliveries* (Annex II, Para. 19).	44,193	—	—	—	—	6,327	—	389	273	—	37,204	—

3	*Labour and Material.* (Annex II, Para. 19)	—	—	—	—	—	—	—	—	—	—	—	—
4	*Ships*	43,890	—	—	42,542	768	490	9	—	81	—	—	—
5	*Inland Navigation Boats, Material Tug Boats, Barges, etc.* (Art. 357).	13,585	—	—	—	13,585	—	—	—	—	—	—	—
	Inland Navigation Boats, Material Tug Boats, Barges, etc. (Annex III, Para. 6).	1,078	—	—	—	733	—	—	345	—	—	—	—
	Inland Navigation Boats, Material Tug Boats, Barges, etc. (Article 339).	6,409	—	—	—	—	—	—	—	—	—	—	6,409
6	*Livestock*	51,592	—	—	—	27,867	5,046	—	6,828	—	—	11,851	—
7	*Miscellaneous Deliveries.* (Including Agricultural Material and Seeds.) [Annex IV, Para. 2 *a*].	13,172	—	—	—	2,036	381	—	9,522	—	—	1,233	—
8	*Reconstruction Material, etc.* (Annex IV, Para 2 *b*.)	7,930	—	—	—	3,191	1,954	—	2,785	—	—	—	—
9	*Coal* (including transportation).												
	(*a*) Taken in charge by Allies at Posts of Control.	252,220	—	—	—	156,676	56,128	—	39,416	—	—	—	—
	(*b*) Supplied to Luxemburg (but not yet paid in Cash).	4,693	4,693	—	—	—	—	—	—	—	—	—	—
10	*By-Products of Coal:*												
	(*a*) Benzol	6,657	—	—	—	6,657	—	—	—	—	—	—	—
	(*b*) Coal Tar and derivatives	328	—	—	—	328	—	—	—	—	—	—	—
	(*c*) Sulphate of ammonia	3,711	—	—	—	3,711	—	—	—	—	—	—	—
	(*d*) Solvent Naphtha	994	—	—	—	994	—	—	—	—	—	—	—
11	*Dyestuffs:*												
	(*a*) Delivered to Allied and Associated Powers.	8,399	—	—	1,212	1,630	2,752	—	2,608	197	—	—	—
	(*b*) Sold to U.S. Textile Alliance (but not yet paid in Cash).	139	139	—	—	—	—	—	—	—	—	—	—
12	*Pharmaceutical Products*	8,451	—	—	—	84	172	3	328	977	5,608	1,279	—
13	*Armistice Deliveries*	It. 3,679	—	—	—	It. 1,667	—	—	It. 2,012	—	—	—	—
14	*Louvain Library*	816	—	—	—	—	—	—	816	—	—	—	—
	Total Deliveries in Kind	544,200	4,832	—	116,018	219,927	73,250	12	65,049	1,528	5,608	51,567	6,409
		Gold Marks.											
	TOTAL OF CASH AND DELIVERIES IN KIND.	1,883,848	.37,848	640,000	115,150	217,780	73,250	12	734,696	1,528	5,608	51,567	6,409
	Debits for Deliveries in Kind for period, 1st Jan., 1922 to 30th April, 1922.	—	8,745	—	69,055	66,558	22,982	—	20,267	342	31	18,774	6,167

VI.

COSTS OF ARMIES OF OCCUPATION.

A distinction should be drawn between the costs incurred up to the 30th April, 1921, and after that date. Costs incurred in the earlier period are charged against the liquid assets shown in Table II; costs incurred in the later period primarily against the deliveries in kind shown in Table IV.

As explained in the Introductory Note, the Commission, up to the 30th April, 1921, was responsible under Article 235 of the Treaty for the collection of the costs. Since that date it has acted under a special mandate from the powers concerned for the execution of the financial clauses of the Treaty in general and for the collection of army costs in particular. In neither period has the Commission exercised any control, its primary duty being to receive the claims, to notify them to Germany, and to make the necessary entries in the accounts. In the earlier period, however, it did take steps, through a special sub-committee, to secure the submission of claims agreed upon between the various occupying Powers and prepared on a uniform basis.

Current claims are regulated by Article I of the Agreement of the 11th March, 1922.* Previously, the claims submitted to the Commission were drawn up on a statistical basis to represent the whole cost of the Armies excluding such services and supplies as are furnished by Germany without payment. Part of the cost thus included in the claims was, however, met out of paper marks supplied by the German Government, particulars of which have also been furnished to the Commission.

The costs, stated by the Powers in their national currencies, have been in general divided into quarterly periods and converted into gold marks at the average rates of exchange of each quarter. From these gold mark sums there have been deducted the gold mark equivalents of the paper marks supplied by the German Government arrived at by the following process; the paper marks received on each date were converted into national currencies at the official rates of exchange used by the respective Armies of those dates, and the resulting national currencies have been converted into gold marks by quarters at the average rate of exchange of each quarter.

Commissions of Control are, under a decision of the Reparation Commission, assimilated to Armies of Occupation for the purpose of the charge against Germany. Precise information as to the actual costs incurred under the former head are not yet available. They represent, however, an addition of no great significance.

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* *See* Appendix III, page 32.

COSTS OF ARMIES OF OCCUPATION.

Names of Powers.	Armies of Occupation.		
	Gross Cost.	Paper Marks Receipts.	Net Cost.
At 30th April, 1921:			
Great Britain	991,097	89,638	901,459
France	1,275,588	232,839	1,042,749
Italy	10,052	—	10,052
Belgium	194,599	16,955	177,644
Total at 30th April, 1921	2,471,336	339,432	2,131,904
May, June and July, 1921:			
Great Britain	7,966	1,726	6,240
France	95,814	28,720	67,094
Belgium	12,888	1,039	11,849
Total	116,668	31,485	85,183
August, September and October, 1921:			
Great Britain	5,045	4,327	718
France	48,679	5,698	42,981
Belgium	9,585	937	8,648
Total	63,309	10,962	52,347
November, December, 1921, and January, 1922:			
Great Britain	5,402	2,925	2,477
France	38,297	13,570	24,727
Belgium	9,234	1,621	7,613
Total	52,933	18,116	34,817
February, March and April, 1922:			
Great Britain	5,593	4,241	1,352
France	41,682	12,324	29,358
Belgium	9,431	1,897	7,534
Total	56,706	18,462	38,244
Total 1st May, 1921, 30th April, 1922...	289,616	79,025	210,591

NOTE.—The net cost of the U.S. Army of Occupation was at 30th April, 1921, 1,010,614,000 g.m For the subsequent periods of three months, as shown above, 18,376,000 g.m., 19,221,000 g.m., 11,515,000 g.m., 7,048,000 g.m.

VII.

SUMMARY OF BALANCES ON ALLIED POWERS' ACCOUNTS CURRENT AT 30TH APRIL, 1922.

It will be observed that the distribution as shown in Table II of the liquid assets received between the 11th November, 1918, and the 30th April, 1922, does not correspond with the relative claims on these payments for Army of Occupation costs as shown in Table VI. The Powers which had incurred occupation expenses were entitled under the Treaty to receive the value of the various liquid assets in proportion to those expenses and in priority to the claims of other Powers which had not incurred similar expenses. In order, however, to avoid the necessity of cash payments between the Allies, the Financial Agreement of Spa, signed on 16th July, 1920, postponed the necessary adjustments until after the 30th April, 1921, these accounting adjustments affecting the Reparation Commission accounts with the participants in reparation, and not the account with Germany.

The following Table shows in Part I the manner in which the outstanding claims of Great Britain and France on the 1st May, 1921, have been partially liquidated by the transfer to those Powers of part of the cash receipts from Germany subsequent to that date. It should be added in explanation of the first column of the Table that one claim other than that for occupation expenses was entitled to priority over the payment of reparation proper. This claim is covered by the words " Coal advances " in the column mentioned, and refers to an arrangement entered into at Spa in July, 1920, whereby certain advances were made to Germany by Great Britain, France, Italy, and Belgium, in order to enable Germany to increase her deliveries of coal under the Treaty. These advances were repayable out of subsequent deliveries in kind.

The second part of the Table shows the position of the various Powers as at the 30th April, 1922, in respect of deliveries made under the Schedule of Payments from the 1st May, 1921, onwards after taking account of claims for expenses of occupation incurred within the same period.

The debit to France includes, in accordance with the Inter-Allied Financial Agreement of the 11th March, 1922, a sum of 300 million gold marks in respect of the value of the Saar mines which, so far as the present account with Germany is concerned, is a cession the value of which is credited on capital account in the year of cession.

SUMMARY OF BALANCES (PROVISIONAL) ON POWERS' ACCOUNTS CURRENT AT 30TH APRIL, 1922.

Based on Entries brought definitely or provisionally to account.

1.—ON PRE-1ST MAY, 1921, ACCOUNT.

(Expressed in thousands of gold marks.)

—	Coal Advances and Army Costs to 30th April, 1921.	Deliveries in kind under Annexes and Armistice to 30th April, 1921.	Powers Balances before Debiting State Properties in ceded territories and Cash Transactions since 1st May, 1921.	Debit for Cash Transactions since 1st May, 1921.	Balances at 30th April, 1922, before Debiting Cessions of State Property, etc.	Cessions of State Properties in ceded territories to be Debited Definitely or Provisionally.	Combined Balances on Pre-1st May, 1921, Accounts.
	1	2	3	4	5	6	7
	Credit Items.	Debit Items.	Balances.				
Great Britain ...	995,330	297,246	Cr. 698,084 (000)	637,599	Cr. 60,485 (000)	Shameen Concession 538	Cr. 59,947 (000)
France	1,281,518	982,696	Cr. 298,822 (000)	140,307	Cr. 158,515 (000)	Shanghai *2,042*	*Cr. 156,473 (000)*
Italy	39,104	83,978	Dr. 44,874 (000)	—	Dr. 44,874 (000)	—	Dr. 44,874 (000)
Japan	—	8,965	Dr. 8,965 (000)	—	Dr. 8,965 (000)	Kiau-Chow ... 59,000	Dr. 67,965 (000)
Belgium	208,169	556,674	Dr. 348,505 (000)	—	Dr. 348,505 (000)	Eupen Malmedy ... 635	Dr. 349,140 (000)
Greece	—	5,318	Dr. 5,318 (000)	—	Dr. 5,318 (000)	—	Dr. 5,318 (000)
Poland	—	14,705	Dr. 14,705 (000)	—	Dr. 14,705 (000)	State Property and Loans. *1,730,582*	*Dr. 1,745,287 (000)*
Roumania ...	—	4,536	Dr. 4,536 (000)	—	Dr. 4,536 (000)	—	Dr. 4,536 (000)
Serb Croat Slovene State.	—	82	Dr. 82 (000)	—	Dr. 82 (000)	—	Dr. 82 (000)
Czecho Slovakia...	—	6,848	Dr. 6,848 (000)	—	Dr. 6,848 (000)	State Property and Loans. *6,031*	*Dr. 12,879 (000)*
Undistributed and in suspense.*		905	—	—	—	—	—

* Property *not distributed* and Suspense Items not debited to Powers at 30th April, 1922:

	G. M.
Armistice Deliveries	59.0 millions
Submarine Cables	49.0 „
Acquisitions by Free City of Dantzig	305.5 „
Saar: Provisional difference between Credit to Germany and Debit to France	100.0 „
Ships: Difference between Credit to Germany and Debit to Powers	390.7 „
Exchange Loss	0.4 „
	904.6 millions.

SUMMARY OF BALANCES (PROVISIONAL) ON POWERS' ACCOUNT CURRENT AT 30TH APRIL, 1922.

Based on Entries brought definitely or provisionally to account.

2.—ON POST 1ST MAY, 1921, ACCOUNT.

(Expressed in thousands of Gold Marks.)

—	Army Costs, 1st May, 1921 to 30th April, 1922.	Deliveries in Kind and Reparation Recovery Act.	Balances before Debiting or Crediting Cash Transactions.	Cash Entries.	Balances at 30th April, 1922.
United States of America ...	56,160	—	Cr. 56,160 (000)	—	Cr. 56,160 (000)
Great Britain	10,787	116,018	Dr. 105,231 (000)	Exch. Gain on Gtd. Sterling Cr. 868	Dr. 104,363 (000)
France (including G.M. 300 millions for Saar Mines).	164,160	519,927	Dr. 355,767 (000)	Exch. Gain on Gtd. Francs Cr. 2.147	Dr. 353,620 (000)
Italy	—	73,250	Dr. 73,250 (000)	—	Dr. 73,250 (000)
Japan	—	12	Dr. 12 (000)	—	Dr. 12 (000)
Belgium...	35,639	65,049	Dr. 29,410 (000)	Cash under Decision of 29th July, 1921 ... ... Dr. 669,647	Dr. 699,057 (000)
Greece	—	1,528	Dr. 1,528 (000)	—	Dr. 1,528 (000)
Poland	—	—	—	—	—
Roumania	—	5,608	Dr. 5,608 (000)	—	Dr. 5,608 (000)
Serb Croat Slovene State ...	—	51,567	Dr. 51,567 (000)	—	Dr. 51,567 (000)
Czecho Slovakia	—	6,409	Dr. 6,409 (000)	—	Dr. 6,409 (000)
Undistributed*...	—	38	—	—	

* (1) Assets *not distributed* to Powers at 30th April, 1922:

	G.M.
Cash and Securities	33.0 millions.
Due by Luxemburg for coal	4.7 "
Due by Textile Alliance for Dyestuffs	0.1 "
	37.8 millions.

VIII.

PARTIAL MORATORIUM OBLIGATION 1922.

PAYMENTS AND DELIVERIES CREDITED TO 30th APRIL, 1922.

		G. M.
1. Cash Payments.		
(a) *Sums paid prior to 21st March, 1922, date of Notification of Partial Moratorium*		282,454,540.19
(b) *Sums paid subsequently to 21st March and before 1st May, 1922*		18,190,964.40
(c) *Other Credits :*		
Sale of Deliveries in Kind 1st November, 1921, to 30th April, 1922, treated as Cash :		
Coal	10,783,828.10	
Dyestuffs	816,515.55	11,600,343.65
Total Cash Payments to 30th April, 1922		312,245,848.24

2. Deliveries in Kind.

Deliveries in Kind on Reparation Account 1st January, 1922 to 30th April, 1922 (including Reparation Recovery Act Receipts).

Delivered to :	France.	The Other Allied Powers.	
January, 1922	16,297,294.24	32,067,864.95	
February	10,402,072.32	19,069,905.12	
March	16,159,509.55	33,613,535.92	
April	19,109,462.98	50,250,952.76	
Total Deliveries in Kind to 30th April, 1922	61,968,339.09	135,002,258.75	196,970,597.84
Grand Total			509,216,446.08
Balance due in Kind			1,253,029,402.16
" " Cash			407,754,151.76
Total Obligation			2,170,000,000.00

IX.

CONDENSED STATEMENT OF GERMANY'S OBLIGATIONS

(30th April, 1922.)

Based on Entries brought definitively or provisionally to account.

(Expressed in millions of Gold Marks.)

1. Pre Reparation Obligations to 30th April, 1921.

Amounts debited:	millions.
Coal Advances	392
Net costs of Armies of Occupation to 30th April, 1921 (including U.S. Army—G.M. 1,011 millions) ...	3,143
	G.M. 3,535

Amounts credited:		millions.
(*a*) Deliveries 11th November, 1918 to 30th April, 1921:		
Cash Sales of War Material	18	
„ Schleswig, etc.	66	
Deliveries in Kind (Annexes)	1,251	
„ (Armistice)	1,183	
Cables, etc....	49	
		2,567
(*b*) Receipts between 1st May, 1921, and 30th April, 1922:		
For sales of War Material	25	
Rhine Customs Receipts realised in sterling	3	
		28
		2,595
Balance still due at 30th April, 1922...		940
		G.M. 3,535

2. Capital Debt

	millions.		millions
Amount of Reparation obligations as fixed	132,000	(*a*) Cessions and properties:	
Allies' Loans to Belgium, say	4,000 It.	Poland	1,731
		Saar	400
		Dantzig	305
		Others	68
			2,504
		(*b*) Further items to be credited:	
		I. Property in Upper Silesia ceded to Poland ...	—
		II. Property ceded to Memel (if any)	—
		III. Other Credits under Article 243	—
		IV. Sums received from other ex-enemy Powers	—
		Balance of Debt due	133,496
	G. M. 136,000		G. M. 136,000
		German Treasury Bonds received:	
Balance of Debt brought down	133,496	Séries "A"	12,000
		" "B"	38,000
		" "C"	82,000
		Balance (see Note) *	*1,496*
	G. M. 133,496		G. M. 133,496

* *The final closing of this account either by further C Bonds or by cancellation of a part of those already issued necessarily awaits values for items b* I–IV *supra.*

3. Net Army Costs 1st May, 1921 to 30th April, 1922.

	millions.		millions.
Great Britain	11		11
Belgium (including special Ruhr costs)	164	Deliveries in Kind applied in payment	164
France (" ")	36		36
	G. M. 211		G. M. 211
U.S.A (still unpaid)	56		

4. Schedule of Payments 1st May, 1921 to 30th April, 1922.

	millions.
Instalment due 31st May, 1921	1,000
" 15th November, 1921	300
" 15th January, 1922	500
" 15th February, 1922	270
" 15th April, 1922	500
G. M. 2,570	
Balance owing on Instalments due	965

	millions.
Surplus of Deliveries in Kind to Powers over Net Army Costs, imputable to instalment due at 15th April, 1922	266
Coal supplied to Luxemburg	23
Dyestuffs, etc., miscellaneous sales	2
Cash payments by Germany	1,314
Balance owing on Instalment account at 15th April ...	965
G. M. 2,570	

APPENDIX.

I.

TREATY OF VERSAILLES.

* * * * * * * * *

ARTICLE 235.

In order to enable the Allied and Associated Powers to proceed at once to the restoration of their industrial and economic life, pending the full determination of their claims, Germany shall pay in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the Reparation Commission may fix, during 1919, 1920 and the first four months of 1921, the equivalent of 20,000,000,000 gold marks. Out of this sum the expenses of the armies of occupation subsequent to the Armistice of November 11, 1918, shall first be met, and such supplies of food and raw materials as may be judged by the Governments of the Principal Allied and Associated Powers to be essential to enable Germany to meet her obligations for reparation may also, with the approval of the said Governments, be paid for out of the above sum. The balance shall be reckoned towards liquidation of the amounts due for reparation. Germany shall further deposit bonds as prescribed in paragraph 12 (*c*) of Annex II hereto.

ARTICLE 236.

Germany further agrees to the direct application of her economic resources to reparation as specified in Annexes III, IV, V, and VI, relating respectively to merchant shipping, to physical restoration, to coal and derivatives of coal, and to dyestuffs and other chemical products; provided always that the value of the property transferred and any services rendered by her under these Annexes, assessed in the manner therein prescribed, shall be credited to her towards liquidation of her obligations under the above Articles.

ARTICLE 237.

The successive instalments, including the above sum, paid over by Germany in satisfaction of the above claims will be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance on a basis of general equity and of the rights of each.

For the purposes of this division the value of property transferred and services rendered under Article 243, and under Annexes III, IV, V, VI, and VII, shall be reckoned in the same manner as cash payments effected in that year.

* * * * * * * * *

ARTICLE 243.

The following shall be reckoned as credits to Germany in respect of her reparation obligations:—

(*a*) Any final balance in favour of Germany under Section V (Alsace-Lorraine) of Part III (Political Clauses for Europe) and Sections III and IV of Part X (Economic Clauses) of the present Treaty;

(*b*) Amounts due to Germany in respect of transfers under Section IV (Saar Basin) of Part III (Political Clauses for Europe), Part IX (Financial Clauses), and Part XII (Ports, Waterways and Railways);

(*c*) Amounts which in the judgment of the Reparation Commission should be credited to Germany on account of any other transfers under the present Treaty of property, rights, concessions or other interests.

In no case however shall credit be given for property restored in accordance with Article 238 of the present Part.

* * * * * * * * *

ARTICLE 248.

Subject to such exceptions as the Reparation Commission may approve, a first charge upon all the assets and revenues of the German Empire and its constituent States shall be the cost of reparation and all other costs arising under the present Treaty or any treaties or agreements supplementary thereto or under arrangements concluded between Germany and the Allied and Associated Powers during the Armistice or its extensions.

Up to May 1, 1921, the German Government shall not export or dispose of, and shall forbid the export or disposal of, gold without the previous approval of the Allied and Associated Powers acting through the Reparation Commission.

ARTICLE 249.

There shall be paid by the German Government the total cost of all armies of the Allied and Associated Governments in occupied German territory from the date of the signature of the Armistice of November 11, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling-stock, air services, treatment of sick and wounded, veterinary and remount services, transport service of all sorts (such as by rail, sea or river, motor lorries), communications and correspondence, and in general the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency.

The cost of such liabilities under the above heads so far as they relate to purchases or requisitions by the Allied and Associated Governments in the occupied territories shall be paid by the German Government to the Allied and Associated Governments in marks at the current or agreed rate of exchange. All other of the above costs shall be paid in gold marks.

* * * * * * * * *

ARTICLE 251.

The priority of the charges established by Article 248 shall, subject to the qualifications made below, be as follows:—

(*a*) The cost of the armies of occupation as defined under Article 249 during the Armistice and its extensions;

(*b*) The cost of any armies of occupation as defined under Article 249 after the coming into force of the present Treaty;

(*c*) The cost of reparation arising out of the present Treaty or any treaties or conventions supplementary thereto;

(*d*) The cost of all other obligations incumbent on Germany under the Armistice Conventions, or under this Treaty or any Treaties or Conventions supplementary thereto.

The payment for such supplies of food and raw material for Germany and such other payments as may be judged by the Allied and Associated Powers to be essential to enable Germany to meet her obligations in respect of reparation will have priority to the extent and upon the conditions which have been or may be determined by the Governments of the said Powers.

II.

INTERALLIED AGREEMENT OF SPA, 16TH JULY, 1920.

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ARTICLE 6.

(1) Germany, by Annex III of Part VIII (Reparation) of the Treaty of Versailles, and Austria and Hungary, by the corresponding provisions of the Treaty of St. Germain and the Treaty of the Trianon, having recognised the right of the Allied and Associated Powers to the replacement, ton for ton and class for class, of all merchant ships and fishing boats lost or damaged owing to the war, and in view of the great difficulty of fixing a fair value for the ships surrendered except after the actual sale of the greater portion of such ships, it is agreed as follows:—

The sale of the ships allotted to the British Empire shall be made before May 1st, 1921, by the Reparation Commission on the British market and shall be made to British nationals.

The amount to be credited to the ex-Enemy Powers and debited to the British Empire in respect of merchant vessels and fishing craft allotted to it, or subsequently transferred to it under Inter-Allied Agreements, shall subject to adjustments rendered necessary by repairs or the expenses of delivery be the actual price realised by such sales.

In the case of other Powers, the amount to be debited in respect of merchant vessels and fishing craft allotted to them, or subsequently transferred to them under Inter-Allied Agreements, shall be the average amounts, subject to similar adjustments, realised by the sale of similar ships of each class on the British market.

The value so ascertained shall be debited to the Allied Power and credited to the ex-Enemy Power concerned as on the following dates:—

In the case of Germany, on January 10th, 1920, or the date of the delivery of the vessel which ever may be later; in the case of Austria and Hungary on the respective dates of the coming into force of Treaties of Peace with those countries.

Interest at 5 per cent. per annum from the above dates up till the date of sale or up to May 1st, 1921, if the ships are not sold before that date shall be debited to the British Empire in respect of ships allotted or transferred to it and shall be credited to the special interest account referred to in Article 4.

In the case of each of the other Powers a lump sum shall be debited in respect of interest and credited to the said special account. This sum shall bear the same proportion to the total amount debited to the British Empire in respect of interest as the value of the total amount of tonnage allotted or transferred to that Power bears to the value of the total amount of tonnage allotted or transferred to the British Empire.

2. No charge shall be debited to any Allied Power to which German ships have been allotted for the use of such ships after the coming into force of the several Treaties of Peace.

3. In the case of ships transferred, the hire of such ships, until transferred, shall be paid over to the transferring Power by the Power to which ships are transferred. Such payments shall be effected by deducting the amount of the hire, plus interest at 5 per cent. per annum from the date of the transfer of the ships from the first percentage payment, other than

payments in kind or services rendered, received either from Germany, Austria, or Hungary, whichever may be the earliest, by the Power to which the ship is transferred, and adding it to the first percentage payment received by the transferring Power.

4. After the final allotment of tonnage by the Reparation Commission, there shall be transferred to Belgium out of the shares of the other Powers sharing in the distribution of tonnage, such an amount of tonnage as will make up her ton for ton allotment to a total equivalent to the tonnage of the vessels condemned after the Armistice in the Belgian Prize Court. Such tonnage shall be of approximately the same age, type and value as the condemned ships. The contribution of each of the transferring Powers shall be in proportion to their approved claim for the ton for ton allotment of ex-enemy tonnage.

The value of the vessels allotted to Belgium, and also of those transferred to her as above, will be debited to the transferring Powers in the same proportions as they contribute the transferred ships.

The condemnation of the above vessels in the Belgian Prize Court not being recognised by the Allied Powers: Belgium, while maintaining the validity of these decisions agrees, in consideration of the tonnage transferred to her under this paragraph (4), not to claim any interest in these vessels by reason of their condemnation.

III.

FINANCIAL INTER-ALLIED ARRANGEMENT OF PARIS, 11TH MARCH, 1922.

The Governments of Belgium, France, Great Britain, Italy and Japan, respectively represented by the undersigned, have agreed as follows:—

ARTICLE 1.

1. The payments to be made by Germany on account of the costs of the Armies of Occupation of Belgium, Great Britain and France, exclusive of the cost under Articles 8 to 12 of the Arrangement of the 28th June, 1919, shall as from the 1st May, 1922, be fixed at the following annual amounts:—

Belgian francs	102,000,000
Pounds sterling	2,000,000
French francs	460,000,000

2. The above figures are fixed on the basis of the following effective strengths:—

Belgian Army	19,300
British Army	15,000
French Army	90,400

They have been calculated on the basis of a total amount of 220,000,000 gold marks. Out of this amount a sum of 10,950,000 gold marks has in the first place been allocated in respect of the British Army, representing a special allowance of 2 gold marks per man per day, to cover its higher cost. The remainder, or 209,050,000 gold marks, has been divided in proportion to the number of effectives in question. The conversion of the sums in gold marks so arrived at into national currencies has been made at the mean rates of exchange for December, 1921.

3. The sums definitively fixed above as the amounts to be paid by Germany for the year commencing on the 1st May, 1922, may before the 1st May in any subsequent year be revised for the year commencing on that date in accordance with the following principles:—

(1) The total of these sums shall be increased if the total effective strength of the three Armies is increased in consequence of and by a number equal to the reduction of the American Army; the increase shall be proportional to the increase of effectives regard being had, in so far as it may be necessary, to the special allowance of 2 gold marks per man per day for the British Army.

(2) The total of these sums shall be diminished if the total strength of the three Armies is reduced. The diminution shall be proportional to the reduction in strength, regard being had, in so far as it may be necessary, to the special allowance of 2 gold marks per man per day for the British Army. If the British strength is reduced without affecting the total strength, the total shall be reduced by an amount equal to so much of the whole sum produced by the special allowance of 2 gold marks per man per day for the British Army as corresponds to the number of effectives by which that Army is reduced.

But no reduction shall be made so long as the cost of the three Armies, calculated on the basis of the French cost per head, with the special allowance of 2 gold marks per man per day in the case of the British Army, is not less than the total of the sums set out in paragraph 1.

(3) If the cost in any one year of the three Armies together, calculated on the basis of the French cost per head, with a supplement of 2 gold marks per man per day in the case of British Army, is less than the total amount fixed for that year, the difference shall accrue to the benefit of Germany in the shape of a reduction of the amount payable for the following year.

4. Germany will, subject to the provisions of Article 2 below, pay the sums fixed under paragraph 1 of this Article to the Belgian, British and French Governments respectively in twelve monthly instalments. The Belgian, British and French Governments will, at the end of each year commencing on the 1st May make the adjustments necessary to ensure that the sum finally allocated to each of them for that year shall correspond to the average effective strength maintained by each of them during the year.

5. The Governments concerned will each year, and in the first instance for the year commencing the 1st May, 1922, decide upon the total of the sums in paper marks required to cover the cost of the services to be furnished by Germany under Articles 8-12 of the Arrangement of Versailles of the 28th June, 1919, and upon the method by which this total sum shall be divided among the three Armies.

6. In the event of special military measures of a precautionary or coercive character being decided upon by the Allied Powers the resulting expenses shall be claimed from Germany by the application of Article 249 of the Treaty of Versailles in addition to the amounts above mentioned.

ARTICLE 2.

The Governments represented by the undersigned confirm the mandate which they have given to the Reparation Commission to recover the costs of the Armies of Occupation, and to draw up a separate account of such costs. They further request the Reparation Commission to take into consideration the obligations incumbent upon Germany, both under the Schedule of Payments and under Article 249 of the Treaty of Versailles when, in reply to the German Note of 28th January, 1922, the Commission

determines the total payments to be made by Germany during the year 1922 in cash and in kind.

The Governments further request the Commission to debit each of the Powers concerned on Army of Occupation account for the period from 1st May, 1921, to 31st December, 1922, with the value of the deliveries in kind received by it during the same period up to the amount due on that account, including therein the proceeds of the German Reparation (Recovery) Act and of all similar legislation passed in accordance with the decision of the Allied Governments on 3rd March, 1921.

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ARTICLE 6.

Each of the Powers having a credit due to it on account of reparation shall retain for its own use, up to the limit of the share allocated to that Power, without any obligation to make payments in cash in respect thereof at any time, the value of any deliveries in kind received up to the 31st December, 1922, including the proceeds of the British Reparation (Recovery) Act and of any similar legislation passed by the other Allied Powers in pursuance of the decision of the Allied Governments of the 3rd March, 1921.

But, subject to the provisions of paragraphs 4 and 5 above and of any Inter-Allied Agreement already entered into, the receipts of any Allied Power in respect of reparation in the period to 31st December, 1922, together with interest thereon at the rate of 5 per cent. per annum as from the 1st January, 1923, shall be taken into account in determining the proportions of reparation receipts due to each Power in 1923 and subsequent years.

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ARTICLE 8.

Out of the total amount of the cash payments made by Germany in 1921, under Article 5 of the Schedule of Payments, the following payments shall be made in accordance with the provisions of Article 251 of the Treaty of Versailles and the Inter-Allied Agreement of 16th June, 1919, in regard to Belgian priority:—

(*a*) 500 million gold marks shall be allocated to Great Britain to be applied towards payments of the cost of the British Army of Occupation before the 1st May, 1921;

(*b*) 140 million gold marks shall be allocated to France to be applied towards payment of the cost of the French Army of Occupation before the 1st May, 1921.

The remainder of the above-mentioned cash payments, as well as cash payments made after 1921, will be allocated to Belgium on account of her priority until such priority is satisfied, with the exception of the sum of 172 million Italian lire at present deposited with the Bank of Italy, which shall be allocated to Italy on Reparation account.

Any balance remaining due to Great Britain and France as on 1st May, 1921, will be repaid as from the date of the present Agreement and until the balance is liquidated by equal instalments drawn from the following sources:—

(*a*) Cash receipts accruing to the Reparation Commission after 1st May, 1921, other than the annuities laid down by the Schedule of Payments;

(*b*) After the satisfaction of the Belgian priority, the first cash receipts accruing to the Reparation Commission whether in respect of the annuities laid down in the Schedule of Payments or otherwise.

No interest shall be credited or debited in respect of the adjustments under this Article.

ARTICLE 9.

In respect of the value of the Saar Mines the sum of 300,000,000 gold marks shall be debited to France in distribution account in the same way as a delivery in kind made in 1922, and the provisions of Article 6 of this Agreement shall apply to this debit. Should the value of the Saar Mines as assessed by the Reparation Commission prove to be higher than 300,000,000 gold marks, the excess will be liquidated by the distribution among the Powers participating in reparation of "C" Bonds to the value of such excess taken from France's share in the total serie of "C" Bonds.

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